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CHATTEL MORTGAGE

(Railroad Equipment Security Agreement) INTERSTATE COMMERCE COMMISSION

THIS CHATTEL MORTGAGE dated as of April 15, 1973, from UNITED STATES RAILWAY EQUIPMENT CO., an Illinois Corporation, with its principal offices at 2200 East Devon Avenue, Des Plaines, Illinois (the "Mortgagor") to CHEMICAL BANK, a banking association chartered under the laws of the State of New York, with its principal offices at 20 Pine Street, New York, New York 10005 (the "Mortgagee"),

W I T N E S S E T H

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the principal amount of \$3,750,000 as evidenced by that certain Mortgage Note of the Mortgagor (the "Note") payable to the order of the Mortgagee and expressed to bear interest at the rate of 7-7/8% per annum and to mature ten years after the date thereof; and

WHEREAS, said Note and the principal and interest thereon and any and all extensions or renewals thereof in whole or in part and all other sums at any time due or owing from or required to be paid by the Mortgagor under the terms hereof or of said Note are hereinafter referred to as "indebtedness hereby secured";

NOW, THEREFORE, the Mortgagor, to secure the payment of all the indebtedness hereby secured and the performance and observance of all the covenants and agreements in said Note or in this Mortgage provided to be performed or observed by the Mortgagor, does hereby grant, bargain, sell, convey, confirm, transfer, mortgage and set over unto the Mortgagee, its successors and assigns, forever, and does hereby grant to the Mortgagee a security interest in, all and singular the following described properties, rights and interests, and all of the estate, right, title and interest of the Mortgagor therein, whether now owned or hereafter acquired (all of which property, rights and interests hereby transferred, conveyed and mortgaged or intended so to be is hereinafter collectively referred to as the "mortgaged property") that is to say:

DIVISION I

A. Two Hundred (200) forty-foot, six inch, 55-ton box cars, such cars bearing, respectively, the car numbers shown in Schedule A attached hereto, being the equipment leased and delivered to Lehigh Vally Railroad Company, under a Lease hereinafter described; and

B. Two Hundred (200) forty-foot, 50-Ton box cars, such cars bearing, respectively, the car numbers shown in Schedule A attached hereto, being the equip-

ment lease and delivered to the Louisville, New Albany and Corydon Railroad Company, under a Lease hereinafter described; and

C. Nineteen (19) sixty foot nine inch XP box cars, such cars bearing, respectively, the car numbers shown in Schedule A attached hereto, being the equipment leased and delivered to Chicago, Milwaukee, St. Paul & Pacific Railroad Co., under a Lease hereinafter described; and

D. One Hundred (100) fifty foot cars, such cars bearing, respectively, the car numbers shown in Schedule A attached hereto, being the equipment leased and delivered to the Chicago, Milwaukee, St. Paul & Pacific Railroad Co., under a Lease hereinafter described.

DIVISION II

All accessories, equipment, parts and appurtenances appertaining or attached to any of the equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of and additions, improvements, accessions and accumulations to any and all of said equipment, including all additions thereto which are now or shall hereafter be incorporated therein, together with all the rents, issues, income, profits and avails thereof.

SUBJECT, HOWEVER, to all the rights, powers, title and interest of the Lehigh Valley Railroad Company, Louisville, New Albany and Corydon Railroad Company and Chicago, Milwaukee, St. Paul & Pacific Railroad Company (hereinafter termed the "Lessees" or individually a "Lessee") or any party claiming by or through a Lessee including specifically, but not exclusively, the trustees in pending reorganization proceedings involving any of said Lessess, in and with respect to said equipment arising under the following Leases (hereinafter termed the "Leases" or separately as a "Lease").

Lease between the Mortgagor as Lessor and Lehigh Valley Railroad Company covering 200 cars dated September 5, 1972, ICC Recordation Number 6871.

Lease between the Mortgagor as Lessor and Louisville, New Albany and Corydon Railroad Company covering 200 cars dated September 29, 1972 ICC Recordation Number 6803.

Lease between the Mortgagor as Lessor and Chicago, Milwaukee, St. Paul & Pacific Railroad Company covering 19 cars dated August 22, 1972, ICC Recordation Number 6761.

Lease between the Mortgagor as Lessor and Chicago, Milwaukee, St. Paul & Pacific Railroad Company covering 100 cars dated May 17, 1972, ICC Recordation Number 6718.

delinquent) the validity or amount of which is being contested in good faith by appropriate proceedings; provided, however, that the Mortgagor will pay or discharge such tax, assessments, lien, claim, or charge if seizure of the mortgaged property is imminent.

1.6. The Mortgagor will at its own expense duly comply with and perform all the covenants and obligations of the Mortgagor under the Leases and will at its own expense seek to cause each Lessee to comply with and observe all the terms and conditions of its Lease and, without limiting the foregoing, at the request of the Mortgagee, the Mortgagor will at its own expense take such action with respect to the enforcement of a Lease, and the duties and obligations of the Lessee thereunder, as the Mortgagee may from time to time direct; provided that the Mortgagor shall not have any right to settle, adjust, compound or compromise any claim against any Lessee under any Lease without the prior written consent of the Mortgagee.

1.7. The Mortgagor shall not, without the prior consent of the Mortgagee, take any action to terminate, modify or accept a surrender of any Lease or consent to the creation or existence of any mortgage, security interest, or other lien on any Lease, the rentals due thereunder, or any of the mortgaged property.

1.8. So long as any indebtedness under the Note remains unpaid, the Mortgagor will deliver or cause to be delivered to Mortgagee, as soon as available, and in any event within 120 days after the end of each fiscal year, copies, in comparative form with the preceding fiscal year, of the consolidated balance sheet of U.S. Railway Mfg. Co., Mortgagor, and United States Railway Leasing Company as at the end of such fiscal year, and of the consolidated income statements of all of such companies for such fiscal year. Such consolidated balance sheet and consolidated income statement shall be prepared in reasonable detail, in accordance with generally accepted accounting principles and shall be accompanied by a report and opinion of independent certified public accountants of recognized standing selected by the aforementioned companies, which report and opinion shall be based upon an examination made in accordance with generally accepted auditing standards. Together with each delivery of the financial statements hereinabove required, Mortgagor will deliver to Mortgagee an officer's certificate stating that there exists no default under this Mortgage, the Assignments, the Note, or if such default exists, stating the nature thereof, the period of existence thereof and what action if any the Mortgagor proposes to take with respect thereto. If the Mortgagor or the Lessee at any time shall insure the mortgaged property against loss due to any risk, the Mortgagor shall cause the Mortgagee to be named as loss payee in any policy or policies providing such insurance.

1.9. If the Mortgagor shall fail to observe and perform any of the covenants set forth in this Section 1, the Mortgagee may, but shall not be obligated to, advance sums to and may perform the same, and all advances made by the Mortgagee shall, with interest thereon at 9% per annum, constitute part of the indebtedness hereby secured and shall be payable forthwith; but no such act or expenditure by the Mortgagee shall relieve the Mortgagor from the consequence of any default.

1.10 It shall be lawful for the Mortgagor to retain possession of the mortgaged property, and at its own expense to keep and use the same, until an event of default shall occur hereunder as hereinafter defined.

1.11 Mortgagor shall from time to time do all such acts and execute all such instruments of further assurance as it shall be reasonably requested by Mortgagee to do or execute for the purpose of fully carrying out and effectuating this Mortgage and the intent hereof.

SECTION 2. APPLICATION OF PROCEEDS OF LEASE AND CERTAIN PREPAYMENTS:

2.1. The Mortgagor has executed and delivered to Mortgagee an Assignment of Lease in the form and text attached hereto as Schedule B, dated as of April 15, 1973, ("Assignment") with respect to each of the Leases, under which the Mortgagor assigns or transfers unto Mortgagee, its successors and assigns, as further security for the indebtedness hereby secured, each Lease and all rentals and other sums due and to become due thereunder, provided that unless and until an event of default under Section 3 hereof has occurred and is continuing, all rentals and other sums from time to time payable on account of each Lease shall be paid to and be received by Mortgagor. If an event of default under Section 3 hereof has occurred and is continuing, all rentals and other sums from time to time payable on the Leases shall be paid to and received by the Mortgagee pursuant to the Assignments and shall be applied in the manner set forth in Section 3.3 hereof.

2.2. Without regard to whether an event of default under Section 3 hereof has occurred and is continuing, Mortgagor agrees that it will pay over to Mortgagee all monies ("settlement monies") paid to it pursuant to a Lease as settlement for the loss, theft, destruction, or damage beyond repair of any car or cars leased thereunder as follows: commencing with the first settlement from and after the date hereof relating to any car covered by a Lease, Mortgagor will retain and accumulate the monies received from a settlement or succeeding settlements under any or all Leases until such time as the Mortgagor has accumulated an amount in excess of \$50,000.00 at which time all such settlement monies then held by the Mortgagor will be applied against the indebtedness due under the Note as hereinafter provided. The foregoing procedure for accumulating and paying over settlement monies in excess of \$50,000.00 shall be repeated from time to time until all indebtedness due under the Note has been paid in full. Mortgagee shall apply each payment of settlement monies on the next succeeding principal installment payment date to the prepayment of principal of the Note. Such prepayment of principal shall be applied in inverse order of principal installments coming due on the Note. The Mortgagor shall promptly transmit to Mortgagee any notice or information it receives concerning loss, theft, destruction or damage beyond repair to cars covered by a Lease requiring

settlement payment under such Lease. With respect to all cars for which Mortgagee has received all settlement monies paid to the Mortgagor as required by a Lease, Mortgagee shall execute and deliver to Mortgagor, if requested, a release of the lien of this Mortgage with respect to such car or cars.

SECTION 3. DEFAULTS AND OTHER PROVISIONS

- 3.1. The term "event of default" for the purpose hereof shall mean any one or more of the following:
- (a) Default for a period of ten days in the payment of interest on the Note;
 - (b) Default for a period of ten days in the payment of any installment of principal or of the Note at maturity, whether by acceleration or otherwise;
 - (c) Default in the due observance or performance of any other covenant, condition or agreement required to be observed and performed by the Mortgagor in the Note, the Assignment, or this Mortgage or by any Guarantor under any Guaranty of the Note and continuance of such default for a period of fifteen (15) days after notice thereof has been given to Mortgagor or such Guarantor, as the case may be.
 - (d) Any representation or warranty made by the Mortgagor to the Mortgagee in writing herein or in the Assignment or in any statement or certificate furnished by the Mortgagor to the Mortgagee or in connection with the making of any loan or loans evidenced by the Note, proves untrue in any material respect as of the date of the issuance or making thereof;
 - (e) The Mortgagor or a Guarantor under any guaranty of the Note becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors or applies or consents to the appointment of a trustee or receiver for the Mortgagor or for the major part of its property,
 - (f) A trustee or receiver is appointed for the Mortgagor or a Guarantor under any guaranty of the Note or for the major part of the property of any of such parties;
 - (g) Bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against the Mortgagor or a Guarantor under any guaranty of the Note.

3.2. When any such event of default has happened and is continuing, the Mortgagee may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute:

- (a) The Mortgagee may, upon the occurrence of a default under Paragraph 3.1.(a), (b), (c), (d) or (f), by notice in writing to the Mortgagor, declare the entire unpaid balance of said Note to be immediately due and payable, and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable; provided, however, that upon the occurrence of a default under Paragraph 3.1 (e) or (g), the entire unpaid balance of the Note, together with all accrued interest thereon shall be and become immediately due and payable without notice by Mortgagee;
- (b) Subject always to then existing rights, if any, of the Lessees under the Leases, the Mortgagee, personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the mortgaged property, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Mortgagor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate the same until sold; it being understood, without limiting the foregoing, that the Mortgagee may, and is hereby given the right and authority to, keep and store said mortgaged property, or any part thereof, on the premises of the Mortgagor, and that the Mortgagee shall not thereby be deemed to have surrendered, or to have failed to take, possession of such mortgaged property;
- (c) Subject always to then existing rights, if any, of the Lessees under the Leases, the Mortgagee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession, and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Mortgagor once at least 10 days prior to the date of such sale, and any other notice which may be required

by law, sell and dispose of said mortgaged property, or any part thereof, at public auction or private sale to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Mortgagee may determine, and at any place (whether or not it be the location of the mortgaged property or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice; and the Mortgagee or the holder or holders of the Note, or of any interest therein, may bid and become the purchaser at any such sale;

- (d) The Mortgagee may proceed to protect and enforce this Mortgage and the Note by suit or suits or proceedings in equity, at law or in pending bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the mortgaged property or any part thereof, or for the recovery of judgment for the indebtedness hereby secured, or for the enforcement of any other proper legal or equitable remedy available under applicable law;
- (e) The Mortgagee may proceed to exercise in respect of any Lease and the property covered thereby and the duties, obligations and liabilities of the Lessee thereunder, all rights, privileges and remedies in said Lease or by applicable law permitted or provided to be exercised by the Mortgagor, and may exercise all such rights and remedies either in the name of the Mortgagee or in the name of the Mortgagor for the use and benefit of the Mortgagee. Without limiting any of the other terms of this Mortgage or of the Assignment, it is acknowledged and agreed by the Mortgagor that the Assignment shall be deemed to give and assign to and vest in the Mortgagee all the rights and powers in this Paragraph (e) provided for;
- (f) The Mortgagee may sell the rentals reserved under any Lease, and all right, title and interest of the Mortgagee as assignee thereof, at public auction to the highest bidder and either for cash or on credit, the Mortgagee to give the Mortgagor 10 days' prior written notice of the time and place of holding any such sale, and provided always that the Mortgagee shall also comply with any applicable mandatory legal requirements in connection with such sale.

3.3. If the Mortgagee shall be receiving or shall have received monies pursuant to an Assignment, it may from time to time, but no less frequently than on the next succeeding principal installment payment date, apply such monies against the next succeeding installment of principal and interest on the Note, or if proceedings have been commenced for the sale of the mortgaged property then all sums so received and the purchase money proceeds and avails of any sale of the mortgaged property or any part thereof, and the proceeds and avails of any other remedy hereunder, or other realization of the security hereby given, and the proceeds of any sale pursuant to subparagraph (f) of Section 3.2 hereof, shall be applied:

- (a) First, to the payment of the cost and expenses of the sale, proceeding or other realization, including all costs and expenses and charges for pursuing, searching for, taking, removing, keeping, storing, advertising and selling such mortgaged property or, as the case may be, said rentals, the reasonable fees and expenses of the attorneys and agents of the Mortgagee in connection therewith, and to the payment of all taxes, assessments, or similar liens on the mortgaged property which may at that time be superior to the lien of this Mortgage (unless such sale or other realization is subject to any such superior lien);
- (b) Second, to the payment of all advances made hereunder by the Mortgagee pursuant to Section 1.9 hereof, together with all interest therefor;
- (c) Third, to the payment of the whole amount remaining unpaid on the Note, both for principal and interest, and to the payment of any other indebtedness of the Mortgagor hereunder or secured hereby, so far as such proceeds may reach;
- (d) Fourth, to the payment of the surplus, if any, to the Mortgagor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

The Mortgagee shall not be liable for interest on any sums held by it pursuant to this Paragraph 3.3. If there be a deficiency the Mortgagor shall remain liable therefor and shall forthwith pay the amount of any such deficiency to the Mortgagee.

3.4. Any sale or sales pursuant to the provisions hereof, whether under the power of sale granted hereby or pursuant to any legal proceedings, shall operate to divest the Mortgagor of all right, title, interest, claim and demand whatsoever, either at law or in equity, of, in and to the mortgaged property so sold, and shall be free and clear of any and all rights

of redemption by, through or under the Mortgagor, the Mortgagor hereby covenanting and agreeing that it will not at any time insist upon or plead, or take the benefit or advantage of or from, any law now or hereafter in force providing for a valuation of appraisement of the mortgaged property prior to any sale or sales thereof or providing for any right to redeem the mortgaged property or any part thereof. The receipt by the Mortgagee, or by any person authorized under any judicial proceeding to make any such sale, shall be a sufficient discharge to any purchaser of the mortgaged property, or of any part thereof, sold as aforesaid; and no such purchaser shall be bound to see to the application of such purchase money, or be bound to inquire as to the authorization, necessity or propriety of any such sale. In the event at any such sale the holder or holders of the Note is or are the successful purchaser or purchasers, such holder or holders of said Note shall be entitled, for the purpose of making settlement or payment, to use and apply said Note by crediting thereon the amount apportionable and applicable thereto out of the net proceeds of such sale.

SECTION 4. MISCELLANEOUS

4.1. Any notice provided for hereby or by any applicable law to be given to the Mortgagor shall be in writing and shall be deemed to have been given when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed to the Mortgagor at its address set forth at the beginning of this Mortgage.

4.2. The failure or delay of the Mortgagee to insist in any one or more instances upon the performance of any of the terms, covenants or conditions of this Mortgage, or to exercise any right, remedy or privilege herein conferred, shall not impair, or be construed as thereafter waiving any such covenants, remedies, conditions or provisions; but every such term, condition and covenant shall continue and remain in full force and effect. Nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the indebtedness secured under this Mortgage operate to prejudice, waive or affect the security of this Mortgage or any rights, powers or remedies hereunder; nor shall the Mortgagee be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

4.3. The unenforceability or invalidity of any provision or provisions of this Mortgage shall not render any other provision or provisions herein contained unenforceable or invalid.

4.4. All the covenants, stipulations, promises, undertakings and agreements herein contained by or on behalf of the Mortgagor shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

4.5. Mortgagor agrees to pay all costs and expenses in connection with this transaction and the preparation, execution, delivery and recording of any documents in connection therewith.

4.6. No modification or waiver of any provisions of this Mortgage or any Guaranty of the Note, nor consent to any departure therefrom shall in any event be effective unless the same shall be in writing and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Mortgagor in any case shall entitle it to any other or further notice or demand on account of the continuance of the same circumstances.

IN WITNESS WHEREOF, the Mortgagor has caused its corporate name to be hereunto subscribed and its corporate seal to be hereunto affixed by its officers thereunto duly authorized all as of the day and year first above written.

UNITED STATES RAILWAY EQUIPMENT CO.

(CORPORATE SEAL)

By:

C. Richard Bann
Vice President

ATTEST:

Ind. Ikumoto
Assistant Secretary

ACCEPTED:

CHEMICAL BANK

By:

Paul Sitzgrull
Rice President

(CORPORATE SEAL)

ATTEST:

Elihu C. Hedmann
Asst. Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 23rd day of April, 1973, before me personally appeared C. Richard Boney and Paul Frankel, to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Asst. Secretary of UNITED STATES RAILWAY EQUIPMENT CO., an Illinois corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Robert H. Heman
Notary Public

(Notarial Seal)

My Commission expires

NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES NOV. 18, 1975.
Issued thru Illinois Notary Assoc.

STATE OF NEW YORK)
) SS
CITY OF NEW YORK)

On this 26 day of April, 1973, before me personally appeared Paul Fitzgerald and Cileen Widmann to me personally known, who being by me duly sworn, say that they are, respectively, the Vice President and Assistant Secretary of CHEMICAL BANK, a banking association chartered under the laws of the State of New York, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

John L. Bervar
Notary Public

(Notarial Seal)

My Commission expires

JOHN L. BERVAR
Notary Public, State of New York
No. 41-5303890
Qualified in Queens County
Cert. filed in New York County
Term Expires March 30, 1974

SCHEDULE A

ATTACHED TO THE CHATTEL MORTGAGE DATED
AS OF APRIL 15, 1973, BY AND BETWEEN
UNITED STATES RAILWAY EQUIPMENT CO.
("MORTGAGOR") AND CHEMICAL BANK ("MORTGAGEE")

The car numbers of the cars referred to in Division
I of the Chattel Mortgage are as follows:

A. 200 cars described in Division I (A):

LV 65070 to LV 65124, inclusive and
LV 66380 to LV 66524, inclusive

Loan Value per Car = \$5,664

B. 200 cars described in Division I (B):

LNAC 500 to LNAC 699, inclusive

Loan Value per Car = \$8,451

C. 19 cars described in Division I (C):

Milw 114176 to Milw 114194, inclusive

Loan Value per Car = \$15,243

D. 100 cars described in Division I (D):

Milw 135250 to Milw 135349, inclusive

Loan Value per Car = \$6,383

SCHEDULE B

ASSIGNMENT OF LEASE

WHEREAS, UNITED STATES RAILWAY EQUIPMENT CO., a corporation of the State of Illinois (hereinafter referred to as "United"), and _____, a corporation of the State of _____ (hereinafter referred to as "Lessee"), have entered into a lease (herein called the "Lease") dated _____ providing for the lease by United to the Lessee of _____ ton capacity cars, therein described (hereinafter referred to as the "Cars"); and

WHEREAS, the Lease was recorded pursuant to the provisions of Section 20 (c) of the Interstate Commerce Act, as amended, on _____, and was assigned recordation number _____.

WHEREAS, Chemical Bank (hereinafter referred to as "Bank"), a banking association chartered under the laws of the State of New York, with its principal office at 20 Pine Street, New York, New York 10005, has agreed to lend certain moneys to United evidenced by United's Note, and United has agreed to assign all of its right, title and interest in and to the Lease to the Bank as additional security for the Note all as set forth in a Chattel Mortgage ("Security Agreement") dated as of April 15, 1973.

NOW, THEREFORE, for value received and upon the terms and conditions hereinafter set forth:

1. United does hereby sell, assign, transfer and set over to the Bank all of the right, title and interest of United in and to the Lease and the rentals and all other amounts payable by the Lessee or any other person, firm or corporation with respect to the Cars or under the Lease, except that any amount so payable shall continue to be paid to and received by United until and unless Bank or its successors or United shall notify the Lessee or any successor to its interest that an Event of Default has occurred under the terms and provisions of the Security Agreement and that payments are thereafter to be made to the Bank, or its successors; and in furtherance of this Assignment and transfer, United does hereby authorize and empower the Bank in the event of notice of a default as aforesaid, in its own name to sue for, collect, receive and enforce all payments to be made to United by the Lessee under and in compliance on the part of the Lessee with the terms and provisions of the Lease, to exercise all of the rights of United under any of the

provisions of the Lease, and in its discretion to take any action under the Lease or with respect to the Cars as United could have taken thereunder if it had not assigned and transferred its rights therein, provided that nothing herein shall obligate the Bank to take any action under the Lease or in respect of the Cars.

2. United warrants and covenants (a) that on the date hereof title to the Cars is vested in United, that it has good and lawful right to sell and assign the same as provided in the Security Agreement and herein and that its right and title thereto is free from all liens and encumbrances, subject, however, in each case to the rights of the Lessee under the Lease and to the rights of the assignee hereunder; (b) that except for pending proceedings, if any, involving the reorganization of the Lessee under Section 77 of the Bankruptcy Act, there are not, to the knowledge of United, any material disputes or actions at law or suits in equity pending or threatened, arising out of or related to the Lease; and (c) that notwithstanding this Assignment, it will perform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by United. United will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment).

3. United represents and warrants that the Lease has been duly authorized and executed by it and covenants that it will, from time to time, at the request of the Bank, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as the Bank may reasonably request to give effect to the provisions hereof and to confirm the right, title and interest hereby assigned and transferred to the Bank or intended so to be.

4. Pursuant to the terms of the Security Agreement and this Assignment, United shall not without the prior consent of the Bank:

(a) terminate, modify or accept a surrender of or offer or agree to any termination, modification, or surrender of, the Lease (except as otherwise expressly provided in the Security Agreement) or consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or

hypothecate (other than to the Bank under the Security Agreement) any rent payment then due or to accrue in the future under the Lease in respect of the Cars; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Bank under the Security Agreement) its interest in the Cars or any part thereof or in any amount to be received by it from the use or disposition of the Cars.

IN WITNESS WHEREOF, United has caused this instrument to be executed by its proper officers thereunto duly authorized and its corporate seal to be hereunto affixed, as of the 15th day of April, 1973.

UNITED STATES RAILWAY EQUIPMENT CO.

By: _____
President

(CORPORATE SEAL)

ATTEST:

Assistant Secretary

ACCEPTED:

CHEMICAL BANK

By: _____
President

(CORPORATE SEAL)

ATTEST:

Secretary

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this _____ day of _____, 1973, before me personally appeared _____ and _____, to me personally known, who being by me duly sworn, say that they are, respectively, the _____ President and _____ Secretary of UNITED STATES RAILWAY EQUIPMENT CO., an Illinois corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(Notarial Seal)

My Commission expires _____, 19____.

STATE OF NEW YORK)
) SS
CITY OF NEW YORK)

On this _____ day of _____, 1973, before me personally appeared _____ and _____ to me personally known,, who being by me duly sworn, say that they are, respectively, the _____ and _____ of CHEMICAL BANK, a banking association chartered under the laws of the State of New York, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

(Notarial Seal)

My Commission expires _____, 19____.